IN THE CLAIMS:

Please amend claims 1, 32 and 35-37 as follows:

1. (Currently Amended) An Internet advertising system
comprising:

a multimedia presentation comprising at least one component
selected from a group consisting of computer generated animation
graphics, animated graphics and full-motion video, a given item
within the selected component of the multimedia presentation
represented by containing an embedded placeholder, the embedded
placeholder programmed to follow a series of actions of the given
item within the multimedia presentation;

a set of advertisements corresponding to the embedded
placeholder, each advertisement being indexed by at least one
demographic indicator;

means for identifying at least one demographic
characteristic of a user;

means for selecting one advertisement from the set of
advertisements, the selector means including a comparison of the
user's at least one demographic characteristic with the at least
one demographic indicator of each advertisement to select the
most relevant advertisement for the user;

means for inserting the selected advertisement into the
embedded placeholder of the multimedia presentation, the inserter

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